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June 19, 2008

**MEMORANDUM**

**TO:** Public School District Superintendents

**FR:** D. Pauline Rindone *dp*

**RE: PROPOSED FUNDING FORMULA DISCUSSIONS**

In April, you received a memorandum from the Legislative Education Study Committee (LESC) inviting you to work with the committee to examine the potential impact of the new public school funding formula that was proposed during the 2008 legislative session. Attachment 1 is a table indicating the meeting at which your district is scheduled to discuss the proposed funding formula with the committee - a meeting agenda with the exact time and date for your presentation will be sent to you prior to that meeting.

At the LESC meeting for which you have been scheduled, LESC staff will present your district's calculator and you will discuss with the committee how the proposed funding formula would affect your school district's operations and its ability to accommodate the needs of your students, as well as other issues related to the proposed funding formula. Hard copies of the calculators for the districts in your group will be available for reference and discussion.

In order to facilitate the discussions, LESC staff, with the assistance of the Public Education Department (PED), have prepared the following questions, which will also be provided to the committee. The questions are a guide to assist you in preparing for your discussions with the committee. We understand that you may or may not be able to have complete answers to some of these questions prior to the meeting; however, it is important that we receive written responses to these questions from each of you. If you are not able to respond immediately, please send a copy of your responses to me as soon as you are able to gather the information, and please include the name of your district with the responses.

## **Programs and Services:**

1. How will the implementation of the proposed funding formula affect your district's program cost?
2. How will the implementation of the proposed funding formula impact the educational programs and student services provided by your district?
  - a) Educational Programs:
  - b) Student Services:
3. Will your district use the additional funding resulting from the implementation of the proposed funding formula to reduce class size? If so, what grades, and how many classrooms would be affected?
4. What other changes might your district consider as a result of additional funding?
5. How will your district ensure that it provides all of the following educational programs and services as required in the funding formula bill, as amended, during the session?
  - bilingual and multicultural education, including culturally relevant learning environments, educational opportunities, and culturally relevant instructional materials;
  - health and wellness, including physical education, athletics, nutrition, and health education;
  - career-technical education;
  - visual and performing arts and music;
  - gifted education, advanced placement, and honors programs;
  - special education; and
  - distance education.

6. To the best of your ability at this time, please fill in the table below to identify the additional state-funded FTE that your district would be able to provide as a result of the implementation of the proposed funding formula:

<b>Personnel</b>	<b>Elementary</b>	<b>Middle</b>	<b>High</b>	<b>Current FTE</b>	<b>Proposed FTE</b>
Teachers					
Principals					
Counselors					
Nurses					
Physical Education Teachers					
Art and Music Teachers					
Social Workers					
Librarians					
Advanced Placement Teachers					
Gifted Education					
Intervention Specialists					
Bilingual Education					
Educational Assistants					
Special Education Teachers (excluding gifted)					
Ancillary and Support Staff					
Maintenance and Operations Staff (including custodians)					
Data Entry Clerks					
Other Central Office Staff					
Other School-based Staff					

**Accountability:**

The legislation introduced during the 2008 session to change the public school funding formula utilizes the Educational Plan for Student Success (EPSS) as the means of ensuring accountability with regard to districts providing a sufficient educational program for all students that includes not only the basic required academic programs, such as reading, writing, and math, but also programs such as bilingual-multicultural education, physical education, arts and music, and gifted programs. In short, PED is required to disapprove any budget for a district or charter school that cannot show in its EPSS that it is offering all required programs.

7. Do you believe that the EPSS is the appropriate mechanism to tie together budget approval and program delivery? If not, what means would you suggest be used as an alternative to ensure accountability?

### **Staff Salaries:**

The proposed funding formula would replace the current Training and Experience (T&E) Index with the Index of Staff Qualifications (ISQ). Although both indexes are designed to distribute additional funding to districts and charter schools based on the composition of their instructional staff, they are not identical:

- The T&E calculation is based on years of service and academic degrees for all instructional staff but does not reflect the three-tiered licensure system for teachers.
  - The ISQ calculation recognizes not only experience and academic degrees but also licensure levels. It was calibrated on the average teacher salaries for each of the three levels and distributes additional dollars based on the proportion of teachers in each of those levels. In addition, there is a second calculation for those instructional staff, such as counselors, who are not included in the three-tiered system. Because the base per-student cost upon which the proposed formula is based already reflects the average salary by personnel category in the average district, the ISQ is applied only to salary costs in a district or charter school that are beyond the average.
8. If you have calculated your district's ISQ using the most recent matrices in the bill (see Attachment 2), how would this factor impact funding for your district?

### **Special Education:**

9. Currently, how many students in your district have been identified as in need of special education, and what percentage of your district's enrollment does this number represent? **(Do not include gifted students.)**

Number: \_\_\_\_\_

Percentage: \_\_\_\_\_%

10. How will the proposed funding formula's use of a fixed special education identification rate of 16 percent impact special education funding for your district?

**Gifted Education:**

11. Currently, how many students in your district have been identified as gifted, and what percentage of your district's enrollment does this number represent?

Number: \_\_\_\_\_

Percentage: \_\_\_\_\_%

12. Even though the bill as amended during the session does not require districts to consider students that have been identified as gifted to be in need of special education, it does require that these students be served. How will your district specifically address the needs of students identified as gifted?

**Revenue Sources for Implementation:**

13. What revenue sources for the additional dollars needed to reach sufficiency would your district support?

**Potential Problems:**

14. What problems, if any, does your district anticipate will arise from the implementation of the proposed funding formula?

15. What problems, if any, does your district anticipate will arise if the proposed funding formula is not implemented?

16. Please feel free to identify any other issues that have not been addressed in these questions that you feel the committee should be aware of.

xc: . Legislative Education Study Committee

**PROPOSED PUBLIC SCHOOL FUNDING FORMULA: SCHOOL DISTRICTS AND CHARTER SCHOOLS**

<i>Location: Roswell</i> May 12-14		<i>Location: Albuquerque</i> June 9-11		<i>Location: Kirtland</i> August 6		<i>Location: Rafon</i> September 8-10		<i>Location: Deming</i> October 8-10		<i>Location: Santa Fe</i> November 19-21	
District	MEM	District	MEM	District	MEM	District	MEM	District	MEM	District	MEM
Group 1		Group 1		Group 1		Group 1		Group 1		Group 1	
Artesia	3,548.5	Albuquerque	88,271.5	Central Consolidated	6,614.5	Las Vegas City	2,085.5	Alamogordo	6,321.0	Albuquerque	88,271.5
Clovis	8,035.0	Los Lunas	8,561.0	Farmington	10,189.5	Rafon	1,360.5	Gadsden	13,955.5	Santa Fe	12,266.0
Hobbs	7,809.5	Rio Rancho	15,577.0	Gallup-McKinley	12,159.0	Taos	2,795.0	Las Cruces	23,559.5		
Lovington	3,084.0					West Las Vegas	1,703.5				
Portales	2,773.0										
Roswell	9,373.5										
Group 2		Group 2		Group 2		Group 2		Group 2		Group 2	
Capitan	536.5	Belen	4,749.5	Aztec	3,064.5	Cimarron	450.0	Carlsbad	5,905.5	Española	4,309.0
Cloudcroft	461.0	Bernalillo	3,176.0	Bloomfield	3,096.5	Clayton	539.5	Cobre	1,396.5	Los Alamos	3,444.0
Dexter	1,097.0	Estancia	1,005.0	Grants-Cibola	3,698.0	Mora	567.5	Deming	5,418.0	Pojoaque	2,019.5
Eunice	570.5	Moriarty	3,590.5	Zuni	1,505.0	Questa	434.5	Hatch Valley	1,428.0	Ruidoso	2,273.5
Hagerman	448.0	Socorro	1,722.5					Silver Consolidated	3,091.5	Tucumcari	1,045.0
Jal	405.0							Truth or Consequences	1,392.0		
Loving	570.5										
Texico	526.0										
Group 3		Group 3		Group 3		Group 3		Group 3		Group 3	
Carriazo	215.5	Corona	84.5	Cuba	695.0	Des Moines	94.0	Animas	257.0	Chama	454.0
Dora	225.5	Jemez Valley	326.5	Dulce	691.0	Maxwell	102.0	Lordsburg	680.0	Jemez Mountain	343.0
Elida	120.5	Magdalena	428.5			Mosquero	38.0	Reserve	185.0	Logan	231.0
Floyd	243.5	Mountainair	339.0			Roy	79.0	Tularosa	959.0	Mesa Vista	437.0
Fort Sumner	304.5	Quemado	186.0			Springer	195.0			Pecos	714.0
Grady	121.5					Wagon Mound	148.5			Perlasco	547.5
Hondo Valley	121.5	Group 4								San Jon	149.5
House	107.0	Aldo Leopold, Silver City								Santa Rosa	654.0
Lake Arthur	148.0	Creative Ed. Prep. Inst. 1, Albuquerque								Vaughn	103.5
Melrose	208.5	Deming Cesar Chavez, Deming									
Tatum	292.5	Digital Arts & Tech. Acad., Albuquerque									
		El Camino Real, Albuquerque									
		Middle College High School, Gallup									
		Mosaic Academy, Aztec									
		Nuestros Valores, Albuquerque									
		Rio Gallinas School, West Las Vegas									
		Sidney Gutierrez Middle School, Roswell									
		SW Secondary Learning, Albuquerque									
		Taos Charter School, Taos									
		Turquoise Trail, Santa Fe									
		Walatowa, Jemez Pueblo									

NOTE: The district groupings are based on 2007-2008 40-day membership.

### ISQ-A – Teachers, Including Librarians

Level I																	
Year's Within Level	0 – 1			2 – 3			4 – 5							Total	Total		
Academic Classification	FTE	Factor	Adjusted FTE	FTE	Factor	Adjusted FTE	FTE	Factor	Adjusted FTE					FTE	Adjusted FTE		
Bachelor's		0.64	0.00		0.67	0.00		0.71	0.00							0.00	0.00
Master's		0.68	0.00		0.72	0.00		0.76	0.00							0.00	0.00
Master's + 45/Post-Masters		0.71	0.00		0.75	0.00		0.79	0.00							0.00	0.00
Total	0.00		0.00	0.00		0.00	0.00		0.00			0.00	0.00				
Level II																	
Year's Within Level	4 – 6			7 – 8			9 – 15			Over 15					Total	Total	
Academic Classification	FTE	Factor	Adjusted FTE	FTE	Factor	Adjusted FTE	FTE	Factor	Adjusted FTE	FTE	Factor	Adjusted FTE			FTE	Adjusted FTE	
Bachelor's		0.76	0.00		0.82	0.00		0.93	0.00		1.04	0.00				0.00	0.00
Master's		0.81	0.00		0.88	0.00		1.00	0.00		1.11	0.00				0.00	0.00
Master's + 45/Post-Masters		0.85	0.00		0.92	0.00		1.05	0.00		1.16	0.00				0.00	0.00
Total	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00		0.00	0.00		
Level III																	
Year's Within Level	7 – 8			9 – 15			Over 15							Total	Total		
Academic Classification	FTE	Factor	Adjusted FTE	FTE	Factor	Adjusted FTE	FTE	Factor	Adjusted FTE					FTE	Adjusted FTE		
Bachelor's		0.90	0.00		1.02	0.00		1.17	0.00							0.00	0.00
Master's		0.96	0.00		1.09	0.00		1.25	0.00							0.00	0.00
Master's + 45/Post-Masters		1.01	0.00		1.14	0.00		1.31	0.00							0.00	0.00
Total	0.00		0.00	0.00		0.00	0.00		0.00			0.00	0.00				
													Matrix Totals	0.00	0.00		

### ISQ-B – Other Instructional Staff

Years of Experience	0 – 2			3 – 5			6 – 8			9 – 15			Over 15			Total FTE	Total Adjusted FTE
Academic Classification	FTE	Factor	Adjusted FTE	FTE	Factor	Adjusted FTE	FTE	Factor	Adjusted FTE	FTE	Factor	Adjusted FTE	FTE	Factor	Adjusted FTE		
Bachelor's or Less		0.65	0.00		0.78	0.00		0.87	0.00		0.91	0.00		0.91	0.00	0.00	0.00
Bachelor's + 15		0.70	0.00		0.83	0.00		0.87	0.00		0.96	0.00		1.00	0.00	0.00	0.00
Master's/Bachelor's + 45		0.74	0.00		0.87	0.00		0.91	0.00		1.00	0.00		1.04	0.00	0.00	0.00
Master's + 15		0.78	0.00		0.91	0.00		1.00	0.00		1.13	0.00		1.17	0.00	0.00	0.00
Master's + 45/Post-Masters		0.87	0.00		1.00	0.00		1.13	0.00		1.22	0.00		1.30	0.00	0.00	0.00
Total	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00	0.00
Matrix Totals																0.00	0.00

**GRAND TOTAL (ISQ-A + ISQ-B)**      0.00      0.00  
**RAW INDEX OF STAFF QUALIFICATIONS**      #DIV/0!